

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

**AUDIT REPORT
OF**

**PORTER COUNTY OFFICE OF FAMILY AND CHILDREN
FAMILY AND SOCIAL SERVICES ADMINISTRATION
STATE OF INDIANA**

January 1, 2004 to December 31, 2004



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Director	Jon Rutkowski	01-01-04 to 12-31-05
Secretary Family and Social Services Administration	Cheryl Sullivan Venita Moore (Interim) Mitch E. Roob, Jr.	10-20-03 to 12-17-04 12-18-04 to 01-09-05 01-10-05 to 01-11-09



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TO: THE OFFICIALS OF PORTER COUNTY OFFICE OF FAMILY AND CHILDREN

We have audited the records of the Porter County Office of Family and Children for the period from January 1, 2004 to December 31, 2004, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result and Comment. The financial transactions of this office are reflected in the Comprehensive Annual Report of the State of Indiana.

STATE BOARD OF ACCOUNTS

August 22, 2005

PORTER COUNTY OFFICE OF FAMILY AND CHILDREN
FAMILY AND SOCIAL SERVICES ADMINISTRATION
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS

Our review of the Special Disbursement Operating Account revealed that receipts for disbursements on hand in the amount of \$1,173.99 have not been submitted for reimbursement to the State Auditor. The receipts date back to January 2004.

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other thing, safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

PORTER COUNTY OFFICE OF FAMILY AND CHILDREN
FAMILY AND SOCIAL SERVICES ADMINISTRATION
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2005, with Jon Rutkowski, County Director; and Joyce F. King, Account Clerk. The official response has been made a part of this report and may be found on pages 6 and 7.



*"People
helping people
help
themselves"*

Mitchell E. Daniels, Jr., Governor
State of Indiana

***Division of Family Resources
Porter County Office***

152 INDIANA AVENUE
VALPARAISO, IN 46383-5514
219-462-2112
FAX: 219-462-6817

"Official Response"

September 2nd, 2005

State Board of Accounts
Porter County Administration Building
155 Indiana Avenue
Valparaiso, Indiana 46383-5514
Attn: Karen

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, Indiana 46204-2738

The Porter County Department of Child Services and Division of Family Resources wishes to file an official response to your audit results and comments. This letter is that official response.

1. Your Audit Results and Comments indicate that "Controls over the receipting, disbursing, recording, and accounting for the petty cash were insufficient."
2. It is further indicated that "As of August 1, 2005 officials were able to identify \$1,827.01 of cash on hand and receipts sent to the State that were yet to be reimbursed. This differs from the established petty cash amount of \$3,000 by \$1,173.99."
3. It is then recommended that we review all disbursements, determine which have been reimbursed, which still need to be reimbursed, and then request reimbursements for those un-reimbursed disbursements.

Regarding item 1: We believe that any insufficiencies that did exist during the reviewed period are traceable to the actions and/or inactions of an employee who is now separated from State service. The subsequent reassignment of that employee's duties, including SDO-related duties, has, to our knowledge, addressed the issue of insufficiencies relative to the administration of our SDO Account.

Regarding items 2 and 3: We have acted as recommended in 3. above. Through this process we have, as of this date, documented and identified

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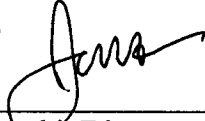


previously un-reimbursed disbursements to within \$91.35 of the established petty cash (SDO Account) amount of \$3000.

Finally, in accordance with these Audit Results and Comments, we will review Chapter 1, and any other applicable Chapters, of the Accounting and Uniform Compliance Guidelines Manual for Counties.

Thank you.

Sincerely,



Jon Rutkowski, Director
Porter County Department of Child Services
and Division of Family Resources